D.P.U. 92-218

Joint petition of Cambridge Electric Light Company and Commonwealth Electric Company for preapproval by the Department of Public Utilities of the Companies' conservation and load management programs for a one and one-half year period and for cost recovery for expenses incurred as a result of implementing said programs. Such approval is requested pursuant to G.L. c. 164, § 94 and 220 C.M.R. §§ 9.00 et seq.

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## I. INTRODUCTION

On October 1, 1992, Cambridge Electric Light Company ("CELCo") and Commonwealth Electric Company ("CECo") (together, the "Companies") filed, pursuant to G.L. c. 164, § 94 and 220 C.M.R. §§ 9.00 et seq., a joint petition for preapproval by the Department of Public Utilities ("Department") of the Companies' proposed conservation and load management ("C&LM") programs for a one and one-half year period and for cost recovery for expenses incurred as a result of implementing said programs ("Joint Filing"). The October 1, 1992 Joint Filing consisted of a cover letter, the joint petition, an executive summary, and two technical volumes.

On November 9, 1992, the Department issued an Order of Notice that, inter alia, established three public hearing dates and set November 23, 1992 as the deadline for filing petitions for leave to intervene. The Hearing Officer granted the petitions for leave to intervene as a party filed by IRATE, Inc. ("IRATE"), the Conservation Law Foundation, Inc. ("CLF"), the Cape and Islands Self-Reliance Corporation ("Self-Reliance"), the Commonwealth of Massachusetts Division of Energy Resources ("DOER"), the Massachusetts Institute of Technology ("MIT"), and Save Our Regional Economy ("SORE"). The Attorney General of the Commonwealth ("Attorney General") filed a notice of intervention pursuant to G.L. c. 12, § 11E.

Three public hearings were conducted on November 30, 1992, December 1, 1992, and December 2, 1992, in New Bedford,

Cambridge, and Hyannis, Massachusetts, respectively. Return of Service was properly made at the November 30, 1992 hearing.

On December 23, 1992, the Companies filed additional program design and cost-effectiveness information as their Supplement to the Joint Filing ("Supplemental Filing").

On December 21, 1992, MIT filed a Motion to Compel Production of Avoided Cost Information Contained in Information Response DPU-1-5 ("MIT Motion"). On December 30, 1992, the Companies filed their answer in opposition to the MIT Motion. On March 3, 1993, pursuant to 220 C.M.R. § 1.04 (4)(a), MIT served notice that it had withdrawn its Motion to Compel and informed the Department that MIT and the Companies had entered into a non-disclosure agreement concerning the response to Information Request DPU-1-5.

## II. BACKGROUND

### A. History of Companies' DSM[1] Efforts

On January 15, 1992, the Department issued an Order approving a Settlement Agreement ("Settlement Agreement") in Commonwealth Electric Company/Cambridge Electric Light Company, D.P.U. 91-80 (Phase II-A) ("D.P.U. 91-80 (Phase II-A)"), the Companies' previous C&LM preapproval case, that established the

[1] The terms demand-side management ("DSM") and C&LM are used interchangeably throughout this Order.

Com/Electric C&LM Task Force[2] ("Task Force") in order to develop, improve, and oversee the Companies' C&LM activities. D.P.U. 91-80 (Phase II-A) at 9-21. The Settlement Agreement also provided for the retention of an Independent Expert, to be selected by the parties to the Settlement Agreement, who was expected "to advise the Companies, the Task Force, and the Department on how the Companies should best design, implement and monitor their C&LM programs" and "issue reports at least quarterly to the Department during 1992 and through June, 1993." Id. at 9 (citing Settlement Agreement at 4[3]).

Among other things, the Settlement Agreement provided that the Independent Expert was to submit program designs and refinements by June 30, 1992 (Settlement Agreement at 7[4]). The Department further instructed the Companies to submit their next overall C&LM preapproval request on March 1, 1993, with an intended preapproval date of July 1, 1993. D.P.U. 91-80 (Phase II-A) at 9-21.

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[2] The members of the Task Force are the Companies, the Attorney General, CLF, IRATE, SORE, State Senator Henri S. Rauschenbach, former State Senator William Q. MacLean, Jr. (Senator MacLean, Jr. was replaced by Senator Mark Montigny in February 1993), Energy Engineers Task Force, and DOER.

[3] The Settlement Agreementalso instituted a conservation charge ("CC") as a cost recovery mechanism for DSM expenses and established expenditure levels for specific customer classes. D.P.U. 91-80 (Phase II-A) at 11.

[4] Between April 28, 1992 and July 31, 1992, the Companies submitted several workplans, the last of which indicated that program designs would be submitted no later than October 1, 1992, consistent with the Department's letter dated May 29, 1992. See Section II.B., below.

B. The Companies' IRM Proceeding

On April 15, 1992, the Companies filed with the Department and the Energy Facilities Siting Council ("Siting Council")[5] the Initial Filing in their Integrated Resource Management ("IRM")[6] case, docketed as D.P.U. 91-234. The Companies also filed a motion pursuant to 220 C.M.R. § 10.07(4) and 980 C.M.R. § 12.08(2), requesting an exception from the requirement under 220 C.M.R. § 10.03 (6)(b) and 980 C.M.R. §§ 12.00 et seq. that a request for proposals ("RFP") for DSM services be issued in the IRM proceeding.[7]

On May 29, 1992, the Department and the Sitng Council issued an Interim Order ("May 29 Interim Order") in the IRM proceeding

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[5] On September 1, 1992, the functions of the Siting Council were merged into the Department pursuant to a reorganization plan enacted as Chapter 141 of the Acts of 1992.

[6] The Department's IRM regulations require that each electric company develop a plan that will enable it to identify and procure reliable energy resources at the lowest possible cost through an evaluation of both supply- and demand-side resources on a systematic, equitable, and integrated basis. D.P.U. 91-80 (Phase II-A) at 21, citing D.P.U. 86-36-F at 39-40 (1988). As such, the C&LM preapproval process is intended to be superseded by the IRM process which is designed to ensure that demand-side and supply-side resources compete on equal footing. Id.

[7] On April 29, 1992, a proposed partial settlement was submitted to the Department and the Siting Council by the Companies and other parties to the proceeding. The proposed settlement included a provision that no DSM RFP be issued in the IRM proceeding. On May 15, 1992, the Department and the Siting Council issued a Joint Order rejecting the offer of settlement and indicating that the DSM RFP issue would be addressed in a manner consistent with the Department's Orders in (1) the Companies' most recent C&LM proceeding, D.P.U. 91-80 (Phase II-A), and (2) Boston Edison Company D.P.U. 90-335 (1992).

allowing the Companies to defer the issuance of their DSM RFP.[8] The Department, however, required the Companies to file on July 1, 1993, a DSM RFP with the Department for review, along with basic information concerning the DSM programs that would comprise the Companies' bid in the DSM RFP. May 29 Interim Order at 3.

In the May 29 Interim Order, the Department also addressed the possibility that the Companies would be unable, through the Task Force, to produce cost-effective programs to be submitted for preapproval on October 1, 1992. The May 29 Interim Order states:

> The Department's Order in D.P.U. 91-80 Phase Two-A anticipates that, through the C&LM Task Force, the Companies will implement cost-effective C&LM programs expeditiously. However, as was noted in the May 15, 1992 Joint Order by the Department and Siting Council concerning the offer of settlement, if the Companies are not successful in these efforts, a competitive C&LM solicitation across all customer classes would help to ensure that cost-effective C&LM programs would be available to all ratepayers.

May 29 Interim Order at 3-4, n.2 (citing May 15 Joint Order).

## III. THE JOINT FILING

In their Joint Filing, the Companies submitted the following programs for preapproval: Electric Hot Water/General Use, Residential Electric/High Use, Residential Lighting Component,

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[8] In the May 29 Interim Order, the Department also required the Companies to submit by October 1, 1992 "any proposed Independent Savings Supplier RFP programs and Task Force programs for review and funding approval." The Department found the requirement to submit a DSM preapproval filing by March 1, 1993 pursuant to D.P.U. 91-80 (Phase II-A) at 19 to be "no longer necessary." May 29 Interim Order at 3, n.4.

Appliance Efficiency, Customer Education Initiative, Independent Savings Suppliers ("ISS"), Equipment Replacement, Commercial and Industrial ("C&I") New Construction, Small C&I Direct Investment, and Conservation Voltage Regulation ("CVR[9])(Joint Filing, Executive Summary at 2-5).

Of the programs submitted on October 1, 1992 for preapproval, the Companies indicated that only three CECo programs and one CELCo program were expected to be cost-effective (Joint Filing, Vol. I, § 5). In addition, the Companies stated that the cost-effectiveness analyses included with the Joint Filing were preliminary in nature and likely to change (id., Executive Summary at 9). The Companies also indicated that four programs submitted for preapproval were not subjected to a cost-effectiveness analysis: Appliance Efficiency, Customer Education Initiative, CVR, and ISS (id., Vol. I, § 5).

In addition, the Companies indicated that, although the Joint Filing was not a Task Force Settlement document, the Task Force was planning additional settlement activities (id., Cover Letter at 1). The Companies stated, however, that "regardless of whether a full C&LM Task Force consensus is reached, certain

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[9] In their filing, the Companies use the term "Conservation Voltage Reduction" rather than Conservation Voltage Regulation. Throughout the literature on this program, the terms Conservation Voltage Regulation and Conservation Voltage Reduction are used interchangeably. The Department has used the term Conservation Voltage Regulation to reflect the fact that proper application of this program does not reduce customer voltages below currently accepted standards. See, e.g., Boston Edison Company, D.P.U. 90-335, at 67, n.19 (1992).

enhancements and corrections to [the Joint] filing will be forthcoming" (id., Cover Letter at 2).

The Companies' Supplemental Filing, filed December 23, 1992, nearly three months after the October 1, 1993 filing deadline, contained updates to the Joint Filing's DSM program budgets, class-specific CCs, cost-effectiveness analyses, and program designs (Supplemental Filing at 1-3).[10] The Supplemental Filing provided no cost-effectiveness analyses for the ISS, Appliance Efficiency, and Customer Satisfaction Initiative (formerly Customer Education Initiative) programs (id., at §§ 2, 5). The Companies also indicated that the Supplemental Filing was not a Task Force consensus document although it reflected some areas of Task Force agreement (id.).

## IV. REPORT OF THE INDEPENDENT EXPERT

On November 30, 1992, the Department received the Report of the Independent Expert ("IE Report") consisting of commentary and recommendations to the Department regarding (1) C&LM expenditure levels, (2) C&LM program designs, and (3) C&LM staffing levels. The Independent Expert indicated that the IE Report was not a Task Force consensus document (IE Report at 2). On January 19, 1993, the Independent Expert submitted an appendix to the IE Report that included alternative program designs for the Companies' small C&I and multifamily/public housing programs.

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[10] Based on the Companies' analyses in the Supplemental Filing, only four of CECo's ten programs, and five of CELCo's eleven programs were determined by the Companies to be cost-effective.

Comments on the Companies' Joint Filing and the IE Report were filed by Senator William Q. MacLean, Jr. on November 30, 1992, and by IRATE and SORE on December 4, 1992. On February 9, 1993, IRATE filed additional comments concerning the Companies' C&LM preapproval filing.

On December 15, 1992, the Companies filed their Initial Response to the IE Report ("Initial Response"). The Initial Response expressed support for several sections of the IE Report, including the "Task Force Process" section and certain portions of the section entitled "Review of the Companies C&LM Decisions" (Initial Response at 2). The Companies, however, strongly disagreed with the conclusions and recommendations outlined in the "Staffing and Organization" and the "Companies Participation in Task Force" sections of the IE Report (Id. at 2-3).

On January 20, 1993, the Attorney General, CLF, and SORE filed comments on the IE Report along with a request for Department action ("Minority Comments"). In the Minority Comments, the Attorney General, CLF, and SORE asked the Department (1) to make findings consistent with the IE Report, (2) to conduct a bidding process for the management and implementation of the Companies' C&LM programs, (3) to order the Companies to improve their cost/benefit analyses, and (4) to approve the continuation of the work of the Independent Expert/Task Force until at least June 30, 1994 (Minority Comments at 1-2). In the alternative, the Minority Comments urged the Department to find that the Companies' DSM activities are managed

imprudently and that the Companies have failed to meet their public service obligation (Id. at 1-3).

On February 3, 1993, the Companies filed a response to the Minority Comments.

## V. ANALYSIS AND FINDINGS

In considering the appropriate extent of the investigation of the Companies' filing in the instant case, the Department must assess (1) the Companies' past implementation of C&LM programs and compliance with previous Department directives; (2) the completeness of the Companies' Joint Filing and Supplemental Filing; (3) the voluminous and contentious nature of the comments received thus far, including the IE Report, the Minority Comments, the comments of other intervenors, and the Companies' responses to these comments; and (4) the integration of the issues raised by both the Companies' DSM preapproval proceeding and the IRM proceeding.[11]

First, the Department has regarded the Companies' past DSM efforts as clearly inadequate. In D.P.U. 91-80 (Phase II-A) at 30, the Department found that the Companies did not comply with the directives set out in the Companies' previous DSM preapproval case, D.P.U. 89-242. The Department accordingly "put the Companies on notice that their noncompliance with the Department's directives in D.P.U. 89-242 will be considered

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[11] The Department's DSM policies, as articulated in D.P.U. 86-36-F and various DSM preapproval Orders, are superseded by the regulations and Orders that define the IRM process.

during the Companies' next base-rate cases." D.P.U. 91-80 (Phase II-A) at 30.

Second, by the May 29 Interim Order, the Department directed the Companies to submit by October 1, 1992 proposed ISS RFP programs and Task Force programs for review. Previous Department decisions clearly have established the expected form and content of electric company C&LM preapproval filings. See Massachusetts Electric Company, D.P.U. 89-194/195, at 103-183 (1990); Western Massachusetts Electric Company, D.P.U. 89-260 (1990). In D.P.U. 86-36-F at 30, the Department determined that an electric company seeking approval of a C&LM proposal would be required to file "a demonstration of the need for the program including a demonstration that the proposal would result in net benefits for ratepayers in comparison with reasonable alternative investments."

The Companies have stated that the Joint Filing lacked cost-effectiveness analyses for several programs; that the Joint Filing as filed on October 1, 1992, was subject to change based on the Supplemental Filing; and that the Supplemental Filing similarly lacked cost-effectiveness analyses. Therefore, accepting these assertions outlined in the Joint Filing as uncontroverted and true, the Department finds that the Joint Filing and Supplemental Filing are incomplete on their face and therefore not in compliance with the Department's previous Orders. See e.g., D.P.U. 86-36-F at 30; D.P.U. 91-80 (Phase II-A) at 19.

Third, because of (1) the extensive and contentious comments filed by the intervening parties, (2) the responses to the comments filed by the Companies, and (3) our previous finding that the Joint Filing and Supplemental Filing are incomplete, the Department is convinced that the instant DSM preapproval case could not be adjudicated in a timely or efficient fashion.[12] The Department also notes that adjudication of this matter would require a substantial commitment of resources from the Companies and intervenors.[13] Therefore, the Department believes that such litigation would not result in the timely commencement of cost-effective DSM programs for the Companies.

Fourth, the May 29 Interim Order set out a precise schedule for competitive DSM solicitation pursuant to the IRM regulations. Given the incomplete nature of the Joint Filing and Supplemental

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[12] The Department's investigation in D.P.U. 91-80, Phase II required 14 days of evidentiary hearings. Most C&LM preapproval cases require significantly less adjudication. For example, Boston Edison Company's 1991 C&LM preapproval proceeding required five days of evidentiary hearings. D.P.U. 90-335, at 4. Western Massachusetts Electric Company's 1991 C&LM preapproval proceeding required six days of evidentiary hearings. Western Massachusetts Electric Company, D.P.U. 91-44, at 2. Other preapproval cases have been settled with no evidentiary hearings and in a short period of time. See Massachusetts Electric Company, D.P.U. 92-217 (1993); Western Massachusetts Electric Company, D.P.U. 92-13 (1992).

[13] In approving the Settlement Agreement submitted in D.P.U. 91-80 (Phase II-A), the Department regarded a reduction in adjudication as a vital component of the settlement. The Department stated that "[i]f the existence of the Task Force and the [Independent] Expert reduces future litigation, we will view their creation as positive." D.P.U. 91-80 (Phase II-A) at 19.

Filing, the contentiousness of the proceeding thus far, and the specification in the May 29 Interim Order that requires RFPs to be submitted by July 1, 1993, the Department concludes that adjudication of the instant case at this time would be unreasonable, unproductive and untimely.

The Department finds that simultaneous reviews of the Companies' C&LM preapproval filings and the anticipated July 1, 1993 DSM RFP would create an unnecessary and unproductive duplication of effort. The Department also notes that had the Joint Filing been complete, and had it reflected a greater degree of consensus by the Task Force, as anticipated, preapproved DSM programs could have been in place by January 1993, and these company-sponsored programs could have competed with those bid through the RFP. Because adjudication of this case cannot lead to the timely implementation of cost-effective C&LM programs, the Department finds that adjudication is not in the public interest and, thus, dismisses the instant C&LM preapproval Joint Petition and supporting filings submitted in D.P.U. 92-218. Accordingly, the Department hereby closes D.P.U. 92-218 without any further investigation of the filings, pleadings, and comments submitted thus far.[14]

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[14] The Department has the authority to dismiss, as patently defective, filings that have contravened a policy directive expressed by the Department in earlier adjudicatory proceedings even though the filing complied with all applicable statutes and regulations. Massachusetts Electric Company, 383 Mass. 675, 678-681 (1981); New England Telephone and Telegraph Company, D.P.U. 84-276, at 13, 16 (continued...)

Dismissal of this DSM preapproval filing clearly was one of the possibilities anticipated by the Department in the May 29 Interim Order. In that Interim Order, the Department specified that should the Companies fail to produce cost-effective programs "a competitive C&LM solicitation across all customer classes would help to ensure that cost-effective C&LM programs would be available to all ratepayers."[15] May 29 Interim Order at 3-4.

Except for the treatment of the CVR program and certain existing residential programs as provided in Section VII of this Order, the Department emphasizes that the competitive solicitation process established in the May 29 Interim Order is now the only means of DSM resource procurement for these Companies at this time. The Department also notes, consistent with the directives set out in Boston Edison Company, D.P.U. 90-335 (1992), that the Companies are required to include cost-effective DSM programs for all customer sectors, including lost opportunity programs, as part of their initial resource

[14](...continued)
(1985); Massachusetts Electric Company, D.P.U. 19257, at 4 (1977) (citing Municipal Light Boards v. Federal Power Commission, 405 F.2d 1341, 1345 (D.C. Cir. 1971)).

[15] Although there exists consensus among the Task Force participants regarding the ISS program, the Department finds that review of a single program at this time would not be appropriate or efficient in light of our decision to dismiss the Companies' filing.

portfolio. See D.P.U. 90-335 at 65-66.[16] Such company-sponsored programs will compete directly with bid programs that are similar in end-use and/or targeted customer class. Contracts for successful project bids will be awarded based on the price and non-price criteria proposed by the Companies in their DSM RFP, which will be reviewed by the Department pursuant to the schedule established in D.P.U. 91-234.

The Department emphasizes that our ruling in this proceeding is completely consistent with our commitment to cost-effective C&LM and is specifically designed to enable the Companies to use the competitive process to deliver successfully C&LM programs to their customers in a timely manner.[17]

## VI. OTHER ISSUES

### A. Introduction

We address below the consolidation of the requests of CECo and CELCo to recover lost base revenues ("LBR") through their respective CCs, and the expansion of this investigation to include an examination of the CVR Program and the adequacy of the

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[16] This policy was developed to ensure that regardless of the maturity of the competitive market, all customer sectors would be able to receive cost-effective DSM services. D.P.U. 90-335 at 65-66.

[17] The findings set forth in this Order concerning the DSM RFP, the continued existence of the Task Force (see Section VI.F, below), and the investigation of the Companies' C&LM performance and management (see Section VI.C, below) address the concerns expressed in the Minority Comments. Therefore, the Department will not rule on the specific requests for Department action or assertions set forth in the Minority Comments.

Companies' C&LM performance. We also address the ISS Program, existing residential programs, and the continuation, if any, of the activities of the Task Force.

B. Lost Base Revenue Recovery Request -- Docket Consolidation

In the Joint Filing, the Companies request that they be allowed to recover LBR through the CC (Joint Filing, Vol. I, § 4). On December 23, 1992, CECo and CELCo separately filed rate schedules for Department approval that reflect the LBR requests. On January 13, 1993, the Department suspended the implementation of the rate schedules until July 1, 1993, to allow for a Department investigation. The Department's investigations into these rate schedules were docketed as D.P.U. 93-15 (CELCo) and D.P.U. 93-16 (CECo).

As provided in 220 C.M.R. § 1.09, the Department may, upon its own motion, order the consolidation of proceedings "involving a common question of law or fact." The Department finds that the LBR issues presented in D.P.U. 93-15 and D.P.U. 93-16 involve common questions of law and fact and, therefore, these dockets shall be consolidated into a single proceeding for investigation purposes and docketed as D.P.U. 93-15/16.

The Department will issue an Order of Notice for D.P.U. 93-15/16 that will establish public hearing dates and a deadline for filing petitions to intervene.

C. Investigation of the Companies' C&LM Activities

On December 23, 1992, the Companies issued a Joint Motion of

the Companies For Continued Effectiveness of Current Conservation Charge Decimals ("CC Motion"). On February 3, 1993, the Department issued a letter rejecting the CC Motion ("February 3 Letter").[18] On February 24, 1993, the Companies filed a request for an extension of the appeal period and clarification of the February 3 Letter ("February 24 Request").[19] On March 5, 1993, the Department issued a response to the Companies' February 24 Request ("Department Response").

In the Department Response, we clarified the intent of the February 3 Letter, i.e., that it did not constitute any final determination regarding the appropriateness of the Companies' 1992 C&LM expenditures or provision of least-cost service to their customers. As the Department Response indicated, the February 3 Letter expressed concerns with the Companies' C&LM efforts and provided support for the Department's proposed

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[18] In the February 3 Letter, among other things, the Department indicated its intention to investigate the Companies' C&LM performance, including a review of the 1992 over- and under-recoveries for all of the Companies' rate classes.

[19] In the February 24 Request, the Companies referred to the section in the February 3 Letter that stated: "[by] failing to comply with the directives set out in DPU 91-80 (Phase II-A), in particular by not delivering services consistent with the approved program budgets, the Companies failed to meet their obligation to serve their customers in a least cost manner" (February 3 Letter at 2). The Companies contended that this statement did not constitute a final, dispositive finding or order with respect to the appropriateness of the Companies' 1992 C&LM expenditures or the Companies' provision of least cost service to their customers (Request at 2). The Companies further contended that the Department's statement was merely an attempt by the Department to create a basis for future evidentiary hearings regarding the Companies' C&LM performance (id.).

investigation of the Companies' C&LM performance, including a review of 1992 class-specific over- and under-recoveries. Department Response at 1-2.

Therefore, consistent with the February 3, 1993 Department Letter and the March 5, 1993 Department Response, the Department finds that the Companies' performance and management of their C&LM activities shall be investigated within the context of D.P.U. 93-15/16.

D. Conservation Voltage Regulation Bifurcation and Investigation

CVR is a conservation program, applied to an electric company's distribution system, involving measures and operating strategies designed to provide electricity service at the lowest practicable voltage level while meeting all applicable voltage standards. D.P.U. 90-335 at 67. In Cambridge Electric Light Company/Commonwealth Electric Company, D.P.U. 89-242/246/249, at 67 (1990) and D.P.U. 91-80 (Phase II-A) at 2, the Department ordered the Companies to investigate the applicability of CVR to their systems, and to implement CVR where cost-effective. The Companies provided a program proposal for CVR in their Joint Filing (Joint Filing, Tab 6.12 and Appendix B).

CVR differs from other DSM programs in that, while customers on affected circuits experience lower energy and capacity use, customers' facilities and end-use devices are uninvolved in the program's implementation. Rather, CVR is implemented directly on a company's high voltage electrical distribution system and,

therefore, is less conducive to implementation by an outside party secured through an RFP. D.P.U. 90-335 at 67-68.

Based on this characteristic of CVR and because the instant proceeding has been dismissed, the Companies' CVR Program also will be examined in D.P.U. 93-15/16.[20] The Companies are hereby ordered to submit a proposed CVR program budget together with a proposal for cost recovery of CVR program expenditures within ten business days of the date of this Order.

E. Existing Residential Programs

The Companies currently are implementing two residential programs that were preapproved in D.P.U. 91-80 (Phase II-A): (1) Residential Electric Space Heat and (2) Residential General Use/Hot Water. See D.P.U. 91-80 (Phase II-A) at 71, 72. In order to minimize disruption in the delivery of DSM programs for the Companies' residential customers, the Department directs the Companies to maintain these programs at their current expenditure levels as directed in the Department's February 3, 1993 Letter, as long as they remain cost-effective, until July 1, 1994, the anticipated date of implementation of programs secured through the DSM RFP. See May 29 Interim Order at 3.

F. Investigation of the Budget and Tenure of the Task

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[20] The Department hereby incorporates into D.P.U. 93-15/16 the following portions of the Companies' October 1, 1992 Joint Filing: (1) the five pages relating to CVR contained at Tab 6.12 of the Joint Filing and (2) the Conservation and Voltage Reduction Report submitted as Appendix B to the Joint Filing. The Companies are requested to provide the Department with any updates to these two documents as appropriate.

Force/Independent Expert

On February 11, 1993, a Joint Motion For Approval of a Settlement Agreement and the Budgetary Amendment to Settlement Agreement[21] (together, "1993 Agreement") was filed for Department approval by the Companies, the Attorney General, DOER, CLF, SORE, IRATE, the Energy Engineers Task Force, and State Senator Henri S. Rauschenbach (together, the "Moving Parties"). The 1993 Agreement was intended to increase funding for the activities of the Task Force and Independent Expert through June 1993, the end of the Task Force/Independent Expert tenure set out in D.P.U. 91-80 (Phase II-A) at 9. On February 19, 1993, the Department indicated that it would not rule on the 1993 Agreement before the February 19, 1993 deadline for Department action set in the 1993 Agreement. Also, in the February 19, 1993 letter, the Department indicated that the Moving Parties may refile the 1993 Agreement. No such refiling has been made. In the context of D.P.U. 92-218, several parties have expressed interest in the continued tenure of the Task Force/Independent Expert past June 1993 (see e.g., Minority Comments at 1-3; IE Report at 102; February 9, 1993 Comments of IRATE at 5).

As anticipated in the Settlement Agreement approved in D.P.U. 91-80 (Phase II-A), the tenure of the Task Force and Independent Expert will expire in June 1993. The Department will not order renewed funding or tenure for the Task Force or

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[21] The Budgetary Amendment refers to the Settlement Agreement approved by the Department in D.P.U. 91-80 (Phase II-A).

Independent Expert. However, the Task Force and Independent Expert are encouraged to use their remaining budgets to assist the Companies in the development of the DSM RFP described in Section III of this Order, or in the development of DSM programs that will comprise the Companies' integrated resource portfolio (see Section VI, above).

## VII. ORDER

Accordingly, after due notice and consideration, it is

ORDERED: That the Joint Petition as initially filed on October 1, 1992, and subsequent filings submitted by and as part of the Commonwealth Electric Company and Cambridge Electric Light Company conservation and load management preapproval case, docketed D.P.U. 92-218, be and hereby is DISMISSED; and it is

FURTHER ORDERED: That D.P.U. 93-15 and D.P.U. 93-16, the Department's investigation into the Companies' separate requests to recover lost base revenues through their respective conservation charges, be and hereby are consolidated for investigation purposes; and it is

FURTHER ORDERED: That Commonwealth Electric Company and Cambridge Electric Light Company shall comply with all other orders and directives contained in this Order.

By Order of the Department,